

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF HYDEN-</b>	)	
<b>LESLIE COUNTY WATER DISTRICT FOR</b>	)	
<b>AUTHORIZATION TO ENTER A SHORT-</b>	)	
<b>TERM ASSISTANCE AGREEMENT WITH</b>	)	
<b>KENTUCKY RURAL WATER FINANCE</b>	)	<b>CASE NO. 2019-00412</b>
<b>CORPORATION TO REFUND AN EXISTING</b>	)	
<b>LOAN AND TO SUBSEQUENTLY ENTER A</b>	)	
<b>LONG-TERM ASSISTANCE AGREEMENT</b>	)	
<b>WITH THE KENTUCKY INFRASTRUCTURE</b>	)	
<b>AUTHORITY</b>	)	

**MOTION TO AMEND ORDER OF JANUARY 17, 2020**

Hyden-Leslie County Water District (“Hyden-Leslie District”) moves the Public Service Commission (“Commission”) to amend its Order of January 17, 2020 to extend the authorized period of Hyden-Leslie District’s 2020 Assistance Agreement with the Kentucky Rural Water Finance Corporation (“KRWFC”) from 12 months to 14 months.

In support of its Motion, Hyden-Leslie District states:

1. On January 17, 2020, the Commission issued an Order in this proceeding authorizing Hyden-Leslie District to execute an Assistance Agreement with the KRWFC (“2020 Assistance Agreement”) to borrow \$2,855,000 for 12 months at an interest rate of 1.25 per cent per annum. Hyden-Leslie District proposed to use the 2020 Assistance Agreement’s proceeds to refund an earlier loan whose proceeds were used to provide interim financing for an infrastructure improvement project constructed in 2014.

2. The 2020 Assistance Agreement was intended solely to provide Hyden-Leslie District adequate time to meet the conditions necessary to enter a very favorable loan with the

Kentucky Infrastructure Agreement “(KIA”) to permanently finance the cost of the 2014 infrastructure improvement project with a loan payable over 30 years at an interest rate of 0.5 percent per annum. Among the conditions for obtaining KIA loan was an increase in Hyden-Leslie District’s rates for water service that would produce rates sufficient for Hyden-Leslie District to meet its operating expenses and the debt service coverage requirements of all current and proposed loans. Hyden-Leslie District advised the Commission that the conditions necessary to enter the KIA loan would be met within one year. In its application, Hyden-Leslie District sought authorization to enter both the 2020 Assistance Agreement and the KIA loan.

3. In its Order of January 17, 2020, the Commission granted authorization to enter the 2020 Assistance Agreement but conditioned its authorization upon Hyden-Leslie District applying for a rate adjustment within six months of the entry of a final decision in this proceeding. The Commission withheld action on the KIA loan.

4. On February 1, 2020, Hyden-Leslie executed the 2020 Assistance Agreement with KRWFC.

5. On February 20, 2020, the Commission issued an order in which it denied Hyden-Leslie District’s application for authorization to borrow funds from KIA but stated its intent to reconsider the application after Hyden-Leslie District had applied and received an adjustment of its rates for water service.

5. On May 7, 2020, Hyden-Leslie District applied to the Commission for an adjustment of its rates for water service.

6. On November 6, 2020, the Commission approved rates for Hyden-Leslie District that would enable the water district to meet the KIA loan conditions and further authorized Hyden-Leslie to enter into the proposed KIA loan.

7. On November 9, 2020, Hyden-Leslie District notified KIA of the rate adjustment and advised that it was ready to proceed with the KIA loan.

8. On January 25, 2021, KIA's bond counsel advised Hyden-Leslie District that, due to delays resulting from the COVID-19 state of emergency and from the death of a close family member of the KIA staff analyst assigned to Hyden-Leslie District's loan, as well as the need to obtain the approval of the Capital Projects and Bond Oversight Committee of the final loan amount, KIA may not be able to obligate funds for the loan until early March 2021.

9. On February 1, 2021, Hyden-Leslie District's obligations under the 2020 Assistance Agreement will become payable. Hyden-Leslie District presently lacks sufficient funds to meet these obligations.

10. KRWFC has proposed to amend the 2020 Assistance Agreement to extend the loan maturity date from February 1, 2021 to March 31, 2021. This extension will enable Hyden-Leslie District to execute the KIA loan agreement and obtain the funds to retire its obligations under the 2020 Assistance Agreement.

11. Hyden-Leslie District requests the Commission amend its Order of January 17, 2020 to authorize a term of 14 months instead of 12 months for the 2020 Assistance Agreement. The additional two months will permit the proposed amendment of the 2020 Assistance Agreement and allow Hyden-Leslie District to avoid the consequences of a potential default.

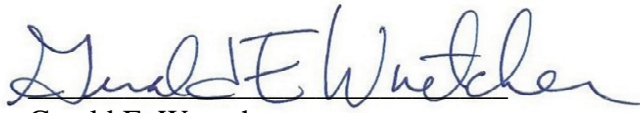
12. Hyden-Leslie District has acted in good faith in this matter to meet the requirements of the Commission and KIA. It promptly filed an application for rate adjustment with the Commission well before the stated deadline and quickly and diligently responded to all Commission requests for information. It kept KIA informed of the status of its rate proceeding

and promptly notified it of the Commission's approval of higher rates. Its actions are not responsible for, nor have they contributed to, the need for additional time.

WHEREFORE, Hyden-Leslie County Water District requests that the Order of January 17, 2020 be amended its Order of January 17, 2020 in this proceeding to extend the authorized period of Hyden-Leslie District's 2020 Assistance Agreement with the Kentucky Rural Water Finance Corporation from 12 months to 14 months.

Dated: January 26, 2021

Respectfully submitted,




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*Counsel for Hyden-Leslie County Water District*

COMMONWEALTH OF KENTUCKY )  
 ) SS  
COUNTY OF LESLIE )

The undersigned, L.J. Turner, being duly sworn, deposes and states that he is the General Manager of Hyden-Leslie County Water District, that he has read this Motion and has noted its contents; that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, he believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this January 26, 2021.



L.J. Turner  
General Manager  
Hyden-Leslie County Water District

Subscribed and sworn to before me by L.J. Turner, General Manager, Hyden-Leslie County Water District, on this January 26, 2021.

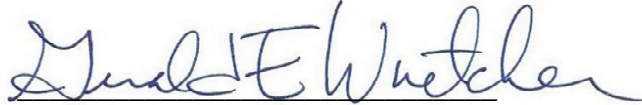
Randy Dwayne Roberts  
Notary Public

Notary ID: KYNP11849

My Commission Expires: July 27, 2024

## CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that Hyden-Leslie County Water District's electronic filing of this Motion is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Public Service Commission on January 26, 2021; that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding; and that within 30 days following the termination of the state of emergency declared in Executive Order 2020-215, this Motion in paper medium will be delivered to the Public Service Commission.

A handwritten signature in blue ink that reads "Gerald E. Wuetcher". The signature is written in a cursive style with a horizontal line underneath the name.

Gerald E. Wuetcher